Value, Price and Profit (Chapters 6 to 10)

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VI. Value and Labour

Citizens, I have now arrived at a point where I must enter upon the real development of the question. I cannot promise to do this in a very satisfactory way, because to do so I should be obliged to go over the whole field of political economy. I can, as the French would say, but "effleurer la question," touch upon the main points. The first question we have to put is: What is the *value* of a commodity? How is it determined?

At first sight it would seem that the value of a commodity is a thing quite *relative*, and not to be settled without considering one commodity in its relations to all other commodities. In fact, in speaking of the value, the value in exchange of a commodity, we mean the proportional quantities in which it exchanges with all other commodities. But then arises the question: How are the proportions in which commodities exchange with each other regulated? We know from experience that these proportions vary infinitely. Taking one single commodity, wheat, for instance, we shall find that a quarter of wheat exchanges in almost countless variations of proportion with different commodities. Yet, *its value remaining always the same*, whether expressed in silk, gold, or any other commodity, it must be something distinct from, and independent of, these *different rates of exchange* with different articles. It must be possible to express, in a very different form, these various equations with various commodities.

Besides, if I say a quarter of wheat exchanges with iron in a certain proportion, or the value of a quarter of wheat is expressed in a certain amount of iron, I say that the value of wheat and its equivalent in iron are equal to *some third thing*, which is neither wheat nor iron, because I suppose them to express the same magnitude in

two different shapes. Either of them, the wheat or the iron, must, therefore, independently of the other, be reducible to this third thing which is their common measure.

To elucidate this point I shall recur to a very simple geometrical illustration. In comparing the areas of triangles of all possible forms and magnitudes, or comparing triangles with rectangles, or any other rectilinear figure, how do we proceed? We reduce the area of any triangle whatever to an expression quite different from its visible form. Having found from the nature of the triangle that its area is equal to half the product of its base by its height, we can then compare the different values of all sorts of triangles, and of all rectilinear figures whatever, because all of them may be resolved into a certain number of triangles.

The same mode of procedure must obtain with the values of commodities. We must be able to reduce all of them to an expression common to all, and distinguishing them only by the proportions in which they contain that identical measure.

As the *exchangeable values* of commodities are only *social functions* of those things, and have nothing at all to do with the *natural* qualities, we must first ask: What is the common *social substance* of all commodities? It is *labour*. To produce a commodity a certain amount of labour must be bestowed upon it, or worked up in it. And I say not only *labour*, but *social labour*. A man who produces an article for his own immediate use, to consume it himself, creates a *product*, but not a *commodity*. As a self-sustaining producer he has nothing to do with society. But to produce a *commodity*, a man must not only produce an article satisfying some *social* want, but his labour itself must form part and parcel of the total sum of labour expended by society. It must be subordinate to the *division of labour within society*. It is nothing without the other divisions of labour, and on its part is required to *integrate* them.

If we consider *commodities as values*, we consider them exclusively under the single aspect of *realized, fixed*, or, if you like, *crystallized social labour*. In this respect they can *differ* only by representing greater or smaller quantities of labour, as, for example, a greater amount of labour may be worked up in a silken handkerchief than in a brick. But how does one measure *quantities of labour*? By the *time the labour lasts*, in measuring the labour by the hour, the day, etc. Of course, to apply this measure, all sorts of labour are reduced to average or simple labour as their unit. We arrive, therefore, at this conclusion. A commodity has *a value*, because it is a *crystallization of social labour*. The *greatness* of its value, or its *relative* value, depends upon the greater or less amount of that social substance contained in it; that is to say, on the relative mass of labour necessary for its production. The *relative values of commodities* are, therefore, determined by the *respective quantities or amounts of labour, worked up, realized, fixed in them*. The *correlative* quantities of commodities which can be produced in the *same time of labour* are

equal. Or the value of one commodity is to the value of another commodity as the quantity of labour fixed in the one is to the quantity of labour fixed in the other.

I suspect that many of you will ask, Does then, indeed, there exist such a vast of any difference whatever, between determining the values of commodities by *wages*, and determining them by the *relative quantities of labour* necessary for their production? You must, however, be aware that the *reward* for labour, and *quantity* of labour, are quite disparate things. Suppose, for example, *equal quantities of labour* to be fixed in one quarter of wheat and once ounce of gold. I resort to the example because it was used by Benjamin Franklin in his first Essay published in 1721, and entitled *a modest enquiry into the nature and necessity of a paper currency*, where he, one of the first, hit upon the true nature of value.

Well. We suppose, then, that one quarter of wheat and one ounce of gold are *equal values* or *equivalents*, because they are *crystalizations of equal amounts of average labour*, of so many days' or so many weeks' labour respectively fixed in them. In thus determining the relative values of gold and corn, do we refer in any way whatever to the *wages* of the agricultural labourer and the miner? Not a bit. We leave it quite *indeterminate* how their day's or their week's labour was paid, or even whether wages labour was employed at all. If it was, wages may have been very unequal. The labourer whose labour is realized in the quarter of wheat may receive two bushels only, and the labourer employed in mining may receive on-half of the ounce of gold. Or, supposing their wages to be equal, they may deviate in all possible proportions from the values of the commodities produced by them. They may amount to one-fourth, one-fifth, or any other proportional part of the one quarter of corn or the one ounce of gold. Their *wages* can, of course, not *exceed*, not be *more* than the values of the commodities they produced, by they can be less in every possible degree. Their *wages* will be *limited* by the *values* of the products, but the *values of their products* will not be limited by the wages. And above all, the values, the relative values of corn and gold, for example, will have been settled without any regard whatever to the value of the labour employed, that is to say, to *wages*. To determine the values of commodities by the *relative quantities of labour fixed in them*, is, therefore, a thing quite different from the tautological method of determining the values of commodities by the value of labour, or by *wages*. This point, however, will be further elucidated in the progress of our inquiry.

In calculating the exchangeable value of a commodity we must add to the quantity of labour *previously* worked up in the raw material of the commodity, and the labour bestowed on the implements, tools, machinery, and buildings, with which such labour is assisted. For example, the value of a certain amount of cotton yarn is the crystallization of the quantity of labour added to the cotton during the spinning process, the quantity of labour previously realized in the cotton itself, the quantity of labour realized in the coal, oil, and other auxiliary substances used, the quantity

of labour fixed in the steam-engine, the spindles, the factory building, and so forth Instruments of production properly so-called, such as tools, machinery, buildings, serve again and again for longer or shorter period during repeated processes of production. If they were used up at once, like the raw material, their whole value would at once be transferred to the commodities they assist in producing. But as a spindle, for example, is but gradually used up, an average calculation is made, based upon the average time it lasts, and its average waste or wear and tear during a certain period, say a day. In this way we calculate how much of the value of the spindle is transferred to the yarn daily spin, and how much, therefore, of the total amount of labour realized in a pound of yarn, for example, is due to the quantity of labour previously realized in the spindle. For our present purpose it is not necessary to dwell any longer upon this point.

It might seem that if the value of a commodity is determined by the *quantity of labour bestowed upon its production*, the lazier a man, or the clumsier a man, the more valuable his commodity, because the greater the time of labour required for finishing the commodity. This, however, would be a sad mistake. You will recollect that I used the word "*social* labour," and many points are involved in this qualification of "*social*." In saying that the value of a commodity is determined by the *quantity of labour* worked up or crystalized in it, we mean *the quantity of labour necessary* for its production in a given state of society, under certain social average conditions of production, with a given social average intensity, and average skill of the labour employed. When, in England, the power-loom came to compete with the hand-loom, only half the former time of labour was wanted to convert a given amount of yarn into a yard of cotton or cloth. The poor hand-loom weaver now worked seventeen or eighteen hours daily, instead of the nine or the hours he had worked before. Still the product of twenty hours of his labour represented now only ten social hours of labour, or ten hours of labour socially necessary for the conversion of a certain amount of yarn into textile stuffs. His product of twenty hours had, therefore, no more value than his former product of ten hours.

If then the quantity of socially necessary labour realized in commodities regulates their exchangeable values, every increase in the quantity of labour wanted for the production of a commodity must augment its value, as every diminution must lower it.

If the respective quantities of labour necessary for the production of the respective commodities remained constant, their relative values also would be constant. But such is not the case. The quantity of labour necessary for the production of a commodity changes continuously with the changes in the productive powers of labour, the more produce is finished in a given time of labour; and the smaller the productive powers of labour, the less produce is finished in the same time. If, for example, in the progress of population it should become necessary to cultivate less

fertile soils, the same amount of produce would be only attainable by a greater amount of labour spent, and the value of agricultural produce would consequently rise. On the other hand, if, with the modern means of production, a single spinner converts into yarn, during one working day, many thousand times the amount of cotton which he could have spun during the same time with the spinning wheel, it is evident that every single pound of cotton will absorb many thousand times less of spinning labour than it did before, and consequently, the value added by spinning to every single pound of cotton will be a thousand times less than before. The value of yarn will sink accordingly.

Apart from the different natural energies and acquired working abilities of different peoples, the productive powers of labour must principally depend: —

Firstly. Upon the *natural* conditions of labour, such as fertility of soil, mines, and so forth.

Secondly. Upon the progressive improvement of the *social powers of labour*, such as are derived from production on a grand scale, concentration of capital and combination of labour, subdivision of labour, machinery, improved methods, appliance of chemical and other natural agencies, shortening of time and space by means of communication and transport, and every other contrivance by which science presses natural agencies into the service of labour, and by which the social or co-operative character of labour is developed. The greater the productive powers of labour, the less labour is bestowed upon a given amount of produce; hence the smaller the value of the produce. The smaller the productive powers of labour, the more labour is bestowed upon the same amount of produce; hence the greater its value. As a general law we may, therefore, set it down that: —

The values of commodities are directly as the times of labour employed in their production, and are inversely as the productive powers of the labour employed.

Having till now only spoken of *value*, I shall add a few words about *price*, which is a peculiar from assumed by value.

Price, taken by itself, is nothing but the *monetary expression of value*. The values of all commodities of the country, for example, are expressed in gold prices, while on the Continent they are mainly expressed in silver prices. The value of gold or silver, like that of all other commodities is regulated by the quantity of labour necessary for getting them. You exchange a certain amount of your national products, in which a certain amount of your national labour is crystallized, for the produce of the gold and silver producing countries, in which a certain quantity of *their* labour is crystallized. It is in this way, in fact by barter, that you learn to express in gold and silver the values of all commodities, that is the respective quantities of labour bestowed upon them. Looking somewhat closer into the *monetary expression of*

value, or what comes to the same, the conversion of value into price, you will find that it is a process by which you give to the *values* of all commodities an *independent* and *homogeneous form*, or by which you express them as quantities of equal social labour. So far as it is but the monetary expression of value, price has been called *natural price* by Adam Smith, "*prix necessaire*" by the French physiocrats. What then is the relation between *value* and *market prices*, or between *natural prices* and *market prices*? You all know that the *market price* is the *same* for all commodities of the same kind, however the conditions of production may differ for the individual producers. The market price expresses only the *average amount of social labour* necessary, under the average conditions of production, to supply the market with a certain mass of a certain article. It is calculated upon the whole lot of a commodity of a certain description.

So far the *market price* of a commodity coincides with its *value*. On the other hand, the oscillations of market prices, rising now over, sinking now under the value or natural price, depend upon the fluctuations of supply and demand. The deviations of market prices from values are continual, but as Adam Smith says:

"The natural price is the central price to which the prices of commodities are continually gravitating. Different accidents may sometimes keep them suspended a good deal above it, and sometimes force them down even somewhat below it. But whatever may be the obstacles which hinder them from settling in this center of repose and continuance, they are constantly tending towards it."

I cannot now sift this matter. It suffices to say the *if* supply and demand equilibrate each other, the market prices of commodities will correspond with their natural prices, that is to say with their values, as determined by the respective quantities of labour required for their production. But supply and demand *must* constantly tend to equilibrate each other, although they do so only by compensating one fluctuation by another, a rise by a fall, and *vice versa*. If instead of considering only the daily fluctuations you analyze the movement of market prices for longer periods, as Mr. Tooke, for example, has done in his *History of Prices*, you will find that the fluctuations of market prices, their deviations from values, their ups and downs, paralyze and compensate each other; so that apart from the effect of monopolies and some other modifications I must now pass by, all descriptions of commodities are, on average, sold at their respective *values* or natural prices. The average periods during which the fluctuations of market prices compensate each other are different for different kinds of commodities, because with one kind it is easier to adapt supply to demand than with the other.

If the, speaking broadly, and embracing somewhat longer periods, all descriptions of commodities sell at their respective values, it is nonsense to suppose that profit, not in individual cases; but that the constant and usual profits of different trades spring from the prices of commodities, or selling them at a price over and above

their *value*. The absurdity of this notion becomes evident if it is generalized. What a man would constantly win as a seller he would constantly lose as a purchaser. It would not do to say that there are men who are buyers without being sellers, or consumers without being without being producers. What these people pay to the producers, they must first get from them for nothing. If a man first takes your money and afterwards returns that money in buying your commodities, you will never enrich yourselves by selling your commodities too dear to that same man. This sort of transaction might diminish a loss, but would never help in realizing a profit. To explain, therefore, the *general nature of profits*, you must start from the theorem that, on an average, commodities are *sold at their real values*, and that *profits are derived from selling them at their values*, that is, in proportion to the quantity of labour realized in them. If you cannot explain profit upon this supposition, you cannot explain it at all. This seems paradox and contrary to every-day observation. It is also paradox that the earth moves round the sun, and that water consists of two highly inflammable gases. Scientific truth is always paradox, if judged by every-day experience, which catches only the delusive appearance of things.

VII. Labour Power

Having now, as far as it could be done in such a cursory manner, analyzed the nature of *value*, of the *value of any commodity whatever*, we must turn our attention to the specific *value of labour*. And here, again, I must startle you by a seeming paradox. All of you feel sure that what they daily sell is their Labour; that, therefore, Labour has a Price, and that, the price of a commodity being only the monetary expression of its value,there must certainly exist such a thing as the *value of labour*. However, there exists no such thing as the *value of labour* in the common acceptance of the word. We have seen that the amount of necessary labour crystallized in a commodity constitutes its value. Now, applying this notion of value, how could we define, say, the value of a ten hours working day? How much labour is contained in that day? Ten hours' labour.

To say that the value of a ten hours working day is equal to ten hours' labour, or the quantity of labour contained in it, would be a tautological and, moreover, a nonsensical expression. Of course, having once found out the true but hidden sense of the expression "*value of labour*," we shall be able to interpret this irrational, and seemingly impossible application of value, in the same way that, having once made sure of the real movement of the celestial bodies, we shall be able to explain their apparent or merely phenomenal movements.

What the working man sells is not directly his *labour*, but his *labouring power*, the temporary disposal of which he makes over to the capitalist. This is so much the case that I do not know whether by the English Laws, but certainly by some

Continental Laws, the *maximum time* is fixed for which a man is allowed to sell his labouring power. If allowed to do so for any indefinite period whatever, slavery would be immediately restored. Such a sale, if it comprised his lifetime, for example, would make him at once the lifelong slave of his employer.

One of the oldest economists and most original philosophers of England — Thomas Hobbes — has already, in his Leviathan, instinctively hit upon this point overlooked by all his successors. He says: "*the value or worth of a man* is, as in all other things, his *price*: that is so much as would be given for the *use of his power*." Proceeding from this basis, we shall be able to determine the *value of labour* as that of all other commodities.

But before doing so, we might ask, how does this strange phenomenon arise, that we find on the market a set of buyers, possessed of land, machinery, raw material, and the means of subsistence, all of them, save land in its crude state, the *products of labour*, and on the other hand, a set of sellers who have nothing to sell except their labouring power, their working arms and brains? That the one set buys continually in order to make a profit and enrich themselves, while the other set continually sells in order to earn their livelihood? The inquiry into this question would be an inquiry into what the economists call "*previous or original accumulation*," but which ought to be called *orginial expropriation*. We should find that this so-called *original accumulation* means nothing but a series of historical processes, resulting in a *decomposition* of the *original union* existing between the labouring Man and his Instruments of Labour. Such an inquiry, however, lies beyond the pale of my present subject. The *separation* between the Man of Labour and the Instruments of Labour once established, such a state of things will maintain itself and reproduce itself upon a constantly increasing scale, until a new and fundamental revolution in the mode of production should again overturn it, and restore the original union in a new historical form.

What, then, is the *value of labouring power*?

Like that of every other commodity, its value is determined by the quantity of labour necessary to produce it. The labouring power of a man exists only in his living individuality. A certain mass of necessaries must be consumed by a man to grow up and maintain his life. But the man, like the machine, will wear out, and must be replaced by another man. Beside the mass of necessaries required for *his own* maintenance, he wants another amount of necessaries to bring up a certain quota of children that are to replace him on the labour market and to perpetuate the race of labourers. Moreover, to develop his labouring power, and acquire a given skill, another amount of values must be spent. For our purpose it suffices to consider only *average* labour, the costs of whose education and development are vanishing magnitudes. Still I must seize upon this occasion to state that, as the costs of producing labouring powers of different quality differ, so much differ the values

of the labouring powers employed in different trades. The cry for an *equality of wages* rests, therefore, upon a mistake, is an insane wish never to be fulfilled. It is an offspring of that false and superficial radicalism that accepts premisses and tries to evade conclusions. Upon the basis of the wages system the value of labouring power is settled like that of every other commodity; and as different kinds of labouring power have different values, or require different quantities of labour for their production, they *must* fetch different prices in the labour market. To clamour for *equal or even equitable retribution* on the basis of the wages system is the same as to clamour for *freedom* on the basis of the slavery system. What you think just or equitable is out of the question. The question is: What is necessary and unavoidable with a given system of production? After what has been said, it will be seen that the *value of labouring power* is determined by the *value of the necessaries* required to produce, develop, maintain, and perpetuate the labouring power.

VIII. Production of Surplus Value

Now suppose that the average amount of the daily necessaries of a labouring man require *six hours of average labour* for their production. Suppose, moreover, six hours of average labour to be also realized in a quantity of gold equal to 3s. Then 3s. would be the *price*, or the monetary expression of the *daily value* of that man's *labouring power*. If he worked daily six hours he would daily produce a value sufficient to buy the average amount of his daily necessaries, or to maintain himself as a labouring man.

But our man is a wages labourer. He must, therefore, sell his labouring power to a capitalist. If he sells it at 3s. daily, or 18s. weekly, he sells it at its value. Suppose him to be a spinner. If he works six hours daily he will add to the cotton a value of 3s. daily. This value, daily added by him, would be an exact equivalent for the wages, or the price of his labouring power, received daily. But in that case *no surplus value* or *surplus produce* whatever would go to the capitalist. Here, then, we come to the rub.

In buying the labouring power of the workman, and paying its value, the capitalist, like every other purchaser, has acquired the right to consume or use the commodity bought. You consume or use the labouring power of a man by making him work, as you consume or use a machine by making it run. By buying the daily or weekly value of the labouring power of the workman, the capitalist has, therefore, acquired the right to use or make that labouring power during the *whole day or week*. The working day or the working week has, of course, certain limits, but those we shall afterwards look more closely at.

For the present I want to turn your attention to one decisive point. The *value* of the labouring power is determined by the quantity of labour necessary to maintain or

reproduce it, but the *use* of that labouring power is only limited by the active energies and physical strength of the labourer. The daily or weekly *value* of the labouring power is quite distinct from the daily or weekly exercise of that power, the same as the food a horse wants and the time it can carry the horseman are quite distinct. The quantity of labour by which the *value* of the workman's labouring power is limited forms by no means a limit to the quantity of labour which his labouring power is apt to perform. Take the example of our spinner. We have seen that, to daily reproduce his labouring power, he must daily reproduce a value of three shillings, which he will do by working six hours daily. But this does not disable him from working ten or twelve or more hours a day. But by paying the daily or weekly *value* of the spinner's labouring power the capitalist has acquired the right of using that labouring power during *the whole day or week*. He will, therefore, make him work say, daily*, twelve hours. Over and above* the six hours required to replace his wages, or the value of his labouring power, he will, therefore, have to work *six other hours*, which I shall call hours of *surplus labour*, which surplus labour will realize itself in a *surplus value* and a *surplus produce*. If our spinner, for example, by his daily labour of six hours, added three shillings' value to the cotton, a value forming an exact equivalent to his wages, he will, in twelve hours, add six shillings' worth to the cotton, and produce *a proportional surplus of yarn*. As he has sold his labouring power to the capitalist, the whole value of produce created by him belongs to the capitalist, the owner *pro tem*. of his labouring power. By advancing three shillings, the capitalist will, therefore, realize a value of six shillings, because, advancing a value in which six hours of labour are crystallized, he will receive in return a value in which twelve hours of labour are crystalized. By repeating this same process daily, the capitalist will daily advance three shillings and daily pocket six shillings, one half of which will go to pay wages anew, and the other half of which will form *surplus value*, for which the capitalist pays no equivalent. It is this *sort of exchange between capital and labour* upon which capitalistic production, or the wages system, is founded, and which must constantly result in reproducing the working man as a working man, and the capitalist as a capitalist.

The rate of surplus value, all other circumstances remaining the same, will depend on the proportion between that part of the working day necessary to reproduce the value of the labouring power and the *surplus time* or *surplus labour* performed for the capitalist. It will, therefore, depend on the *ratio in which the working day is prolonged over and above that extent*, by working which the working man would only reproduce the value of his labouring power, or replace his wages.

IX. Value of Labour

We must now return to the expression, "*value, or price of labour*." We have seen that, in fact, it is only the value of the labouring power, measured by the values of commodities necessary for its maintenance. But since the workman receives his

wages *after* his labour is performed, and knows, moreover, that what he actually gives to the capitalist is his labour, the value or price of his labouring power necessarily appears to him as the *price* or *value of his labour itself*. If the price of his labouring power is three shillings, in which six hours of labour are realized, and if he works twelve hours, he necessarily considers these three shillings as the value or price of twelve hours of labour, although these twelve hours of labour realize themselves in a value of six shillings. A double consequence flows from this.

Firstly. The *value or price of the labouring power* takes the semblance of the *price or value of labour itself*, although, strictly speaking, value and price of labour are senseless terms.

Secondly. Although one part only of the workman's daily labour is *paid*, while the other part is *unpaid*, and while that unpaid or surplus labour constitutes exactly the fund out of which *surplus value* or *profit* is formed, it seems as if the aggregate labour was paid labour.

This false appearance distinguishes *wages labour* from other *historical* forms of labour. On the basis of the wages system even the *unpaid* labour seems to be *paid* labour. With the *slave*, on the contrary, even that part of his labour which is paid appears to be unpaid. Of course, in order to work the slave must live, and one part of his working day goes to replace the value of his own maintenance. But since no bargain is struck between him and his master, and no acts of selling and buying are going on between the two parties, all his labour seems to be given away for nothing.

Take, on the other hand, the peasant serf, such as he, I might say, until yesterday existed in the whole of East of Europe. This peasant worked, for example, three days for himself on his own field or the field allotted to him, and the three subsequent days he performed compulsory and gratuitous labour on the estate of his lord. Here, then, the paid and unpaid parts of labour were sensibly separated, separated in time and space; and our Liberals overflowed with moral indignation at the preposterous notion of making a man work for nothing.

In point of fact, however, whether a man works three days of the week for himself on his own field and three days for nothing on the estate of his lord, or whether he works in the factory or the workshop six hours daily for himself and six for his employer, comes to the same, although in the latter case the paid and unpaid portions of labour are inseparably mixed up with each other, and the nature of the whole transaction is completely masked by the *intervention of a contract* and the *pay* received at the end of the week. The gratuitous labour appears to be voluntarily given in the one instance, and to be compulsory in the other. That makes all the difference.

In using the word "*value of labour*," I shall only use it as a popular slang term for "*value of labouring power*."

X. Profit is Made by Selling a Commodity at its Value

Suppose an average hour of labour to be realized in a value equal to sixpence, or twelve average hours of labour to be realized in six shillings. Suppose, further, the value of labour to be three shillings or the produce of six hours' labour. If, then, in the raw material, machinery, and so forth, used up in a commodity, twenty-four hours of average labour were realized, its value would amount to twelve shillings. If, moreover, the workman employed by the capitalist added twelve hours of labour to those means of production, these twelve hours would be realized in an additional value of six shillings. The *total value of the product* would, therefore, amount to thirty-six hours of realized labour, and be equal to eighteen shillings. But as the value of labour, or the wages paid to the workman, would be three shillings only, no equivalent would have been paid by the capitalist for the six hours of surplus labour worked by the workman, and realized in the value of the commodity. By selling this commodity at its value for eighteen shillings, the capitalist would, therefore, realize a value of three shillings, for which had paid no equivalent. These three shillings would constitute the surplus value or profit pocketed by him. The capitalist would consequently realize the profit of three shillings, not by selling his commodity at a price *over and above* its value, but by selling it *at its real value*.

The value of a commodity is determined by the *total quantity of labour* contained in it. But part of that quantity of labour is realized in a value for which and equivalent has been paid in the form of wages; part of it is realized in a value for which NO equivalent has been paid. Part of the labour contained in the commodity is *paid* labour; part is *unpaid* labour. By selling, therefore, the commodity *at its value*, that is, as the crystallization of the *total quantity of labour* bestowed upon it, the capitalist must necessarily sell it at a profit. He sells not only what has cost him an equivalent, but he sells also what has cost him nothing, although it has cost his workman labour. The cost of the commodity to the capitalist and its real cost are different things.

I repeat, therefore, that normal and average profits are made by selling commodities not *above*, but *at their real values*.

Course: Basics

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